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E. PROV.	91 7108 2133 3935 8328 4268
W. WARWICK	91 7199 9991 7036 4594 4677

**STATE OF RHODE ISLAND**  
**DEPARTMENT OF BUSINESS REGULATION**  
**CONTRACTORS’ REGISTRATION AND LICENSING BOARD**  
**560 JEFFERSON BOULEVARD, SUITE 200**  
**WARWICK, R.I. 02886**

<b>In the Matter of:</b>	:	
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<b>Richard Rego a/k/a “Rick” Rego</b>	:	<b>CRLB No. C 23-450</b>
<b>d/b/a R. Rego Construction</b>	:	
<b>d/b/a R. Rego Construction</b>	:	
<b>d/b/a The Real Rego Real Estate Development,</b>	:	
<b>Respondent.</b>	:	
	:	

**REISSUED DECISION**

**I. INTRODUCTION**

This matter arose pursuant to a Notice of Hearing (“Notice”) issued on March 28, 2024 by the Department of Business Regulation Contractors’ Registration and Licensing Board (“Department” or “Board”) to Richard Rego a/k/a “Rick” Rego d/b/a R. Rego Construction d/b/a R. Rego Construction d/b/a The Real Rego Real Estate Development (“Respondent”). The Respondent is registered as a contractor pursuant to R.I. Gen. Laws § 5-65-1 *et seq.* A hearing was scheduled for November 12, 2024 at which time the Respondent did not appear. Pursuant to R.I. Gen. Laws § 5-65-6 and § 1.15.1 of 440-RICR-10-00-1 *General Rules and Regulations for Applications, Registration, Licensing, Claims, Violations, and Administrative Hearings* (“Regulation”), service may be made by first-class mail or certified mail and service is complete upon mailing when sent to the last known address of the party. In this matter, notice was sent to the Respondent’s last known addresses by first class and certified mail and by email.<sup>1</sup> Since the Respondent was

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<sup>1</sup> The initial notice of hearing was sent by first class and certified mail and by email to the Respondent’s addresses on record with the Department. The Respondent received that notice and entered in a consent order with the Board. The Board contends the Respondent failed to comply with the said consent order. The Respondent did not appear at the compliance conference on September 25, 2024 as required by said consent order. A notice of hearing was then sent

adequately noticed of hearing, a hearing was held before the undersigned on November 12, 2024.<sup>2</sup> Additionally, § 1.17 of the Regulation<sup>3</sup> provides that a default judgment may be entered based on pleadings and/or evidence submitted at hearing by a non-defaulting party. The Board was represented by counsel who rested on the record.

## **II. JURISDICTION**

The administrative hearing was held pursuant to R.I. Gen. Laws § 42-14-1 *et seq.*, R.I. Gen. Laws § 5-65-1 *et seq.*, R.I. Gen. Laws § 42-35-1 *et seq.*, and 440-RICR-10-00-1 *General Rules and Regulations for Applications, Registration, Licensing, Claims, Violations, and Administrative Hearings*.

## **III. ISSUE**

Whether the Respondent violated R.I. Gen. Laws § 5-65-10(a), and if so, what should be the sanction(s).

## **IV. MATERIAL FACTS**

Based on the pleadings and exhibits entered at hearing, it is undisputed as follows:

The Respondent entered into two (2) contracts with a homeowner in Narragansett, one on April 28, 2023 and the other on January 24, 2024 to perform a variety of tasks that required registration as a contractor including foundation and framing, installing new windows, and

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scheduling the hearing for November 12, 2024. That notice was sent by first class mail and certified mail and by email to the mailing addresses on record with the Department. Department's Exhibits One (1) (consent order and initial notice of hearing); Two (2) (initial notice and October 22, 2024 notice with United States Post Office tracking sheets); and Three (3) (Respondent's registration record with his home and business addresses and email address).

<sup>2</sup> The undersigned hearing officer heard this matter pursuant to R.I. Gen. Laws § 5-65-12.

<sup>3</sup> Section 1.17 of the Regulation provides as follows:

If any Party to a proceeding fails to answer a complaint, plead, appear at a prehearing conference or hearing or otherwise fails to prosecute or defend an action as provided by these Rules, the Hearing Officer or Board may enter a default judgment against the defaulting Party or take such action based on the pleadings and/or other evidence submitted by the non-defaulting Party as the forum deems appropriate. Challenge to such an order shall be made as a motion for reconsideration per § 1.15.6 of this Part.

building a deck. Neither contract included the mechanic's lien notice or right of rescission required for those over 60 years and older. The homeowner was 60 years or older at the time of the contracts. The Respondent hired five (5) unregistered contractors to perform work on said house. Department's Exhibits One (1) and Two (2) (consent order and notices); Nine (9) (Board inspection report); 10 (Respondent's contracts with the homeowner); 11 (proof of payment); 12 (homeowner's list of subcontractors); 13 (Respondent's list of subcontractors); 14 (subcontractor information); and 15 (Respondent's response to said complaint).

Anthony Whitfield, investigator, testified on behalf of the Board. He testified he received a list of subcontractors from the Respondent and said homeowner and confirmed that five (5) unregistered contractors were hired by the Respondent. He testified the Respondent has four (4) previous violations regarding subcontractors for either failing to provide the list of subcontractors or hiring subcontractors. Department's Exhibits Five (5) through Nine (9) (records of violations V-6134 (2021); V-6179 (2021); V-6232 (2021); and V-6365 (2022)).

## V. DISCUSSION

### A. **Legislative Intent**

The Rhode Island Supreme Court has consistently held that it effectuates legislative intent by examining a statute in its entirety and giving words their plain and ordinary meaning. *In re Falstaff Brewing Corp.*, 637 A.2d 1047 (R.I. 1994). If a statute is clear and unambiguous, "the Court must interpret the statute literally and must give the words of the statute their plain and ordinary meanings." *Oliveira v. Lombardi*, 794 A.2d 453, 457 (R.I. 2002) (citation omitted). The Supreme Court has also established that it will not interpret legislative enactments in a manner that renders them nugatory or that would produce an unreasonable result. See *Defenders of Animals v. DEM*, 553 A.2d 541 (R.I. 1989) (citation omitted). In cases where a statute may contain ambiguous

language, the Rhode Island Supreme Court has consistently held that the legislative intent must be considered. *Providence Journal Co. v. Rodgers*, 711 A.2d 1131, 1134 (R.I. 1998).

**B. Standard of Review for an Administrative Hearing**

It is well settled that in formal or informal adjudications modeled on the Federal Administrative Procedures Act, the initial burdens of production and persuasion rest with the moving party. 2 Richard J. Pierce, *Administrative Law Treatise* § 10.7 (2002). Unless otherwise specified, a preponderance of the evidence is generally required to prevail. *Id.* See *Lyons v. Rhode Island Pub. Employees Council 94*, 559 A.2d 130 (R.I. 1989) (preponderance standard is the “normal” standard in civil cases). This means that for each element to be proven, the fact-finder must believe that the facts asserted by the proponent are more probably true than false. *Id.* When there is no direct evidence on a particular issue, a fair preponderance of the evidence may be supported by circumstantial evidence. *Narragansett Electric Co. v. Carbone*, 898 A.2d 87 (R.I. 2006).

**C. Relevant Statutes**

R.I. Gen. Laws § 5-65-10 provides in part as follows:

(a) The board or office may revoke, suspend, or refuse to issue, reinstate, or reissue a certificate of registration if the board or office determines, after notice and opportunity for a hearing:

(1) That the registrant or applicant has violated § 5-65-3 or any other provision of this chapter or the regulations promulgated thereunder.

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(c) Subject to providing notice and an opportunity for a hearing:

(1) For each first violation of a particular section of this chapter or any rule or regulation promulgated by the board, a fine not to exceed five thousand dollars (\$5,000) may be imposed. Where corrective work is completed and/or if restitution is made to the person for whom the work was to be performed, the fine assessed may be reduced as determined by the board. Fines for violations may be imposed against registered contractors, as well as those persons required to be registered, by the board.

(2) For each subsequent violation of a particular subsection of this chapter or of a rule or regulation promulgated by the board, a fine not to exceed ten thousand dollars (\$10,000) may be imposed. \*\*\*

R.I. Gen. Laws § 5-65-3 provides in part as follows:

\*\*\* Duties of contractors \*\*\*

(j) A contractor including, but not limited to, a general contractor, shall not hire any subcontractor or other contractor to work on a structure unless the contractor is registered under this chapter or exempt from registration under the provisions of § 5-65-2.

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(o) All work performed, including labor and materials, in excess of one thousand dollars (\$1,000) shall be accompanied by a contract in writing. Contracts required pursuant to this subsection shall include consumer disclosures and information required pursuant to regulations promulgated by the board and the following notice by the contractor to the homeowner:

NOTICE OF POSSIBLE MECHANIC'S LIEN  
[the required notice is then set forth in the statute]

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(p) Contracts entered into must contain notice of right of rescission as stipulated in all pertinent Rhode Island consumer protection laws and/or § 5-65-27, if applicable.

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R.I. Gen. Laws § 5-65-27 provides in part as follows:

Elderly person<sup>4</sup> in-home solicitation — Right to cancel.

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(b) In addition to all other methods of consumer protection provided by federal or state law, any contract that originates from an in-home solicitation of an elderly person for the purposes of performing work as a contractor pursuant to this chapter, as well as other disciplines governed by the board pursuant to statutory law, shall provide that any consumer who is an elderly person shall, in the absence of an emergency as defined herein, have three (3) days within which to cancel the in-home solicitation contract for contractor services.

(c) The contractor shall, at the time of the agreement in accordance with § 5-65-3, give notice to the elderly person of all the rights that substantially comply with this section. The notice must:

[statute then sets forth required language] \*\*\*

#### **D. Whether the Respondent violated R.I. Gen. Laws § 5-65-10**

Based on the testimony, pleadings, and exhibits entered at hearing, it was undisputed that the Respondent entered in two (2) contracts with the homeowner who was over 60 years. Both contracts failed to include the required mechanic's lien and the right of rescission for those over 60

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<sup>4</sup> R.I. Gen. Laws § 5-65-27(a) refers to the definition of elderly person in R.I. Gen. Laws § 42-66-4.1 which is 60 years of age or older.

years old. The Respondent hired five (5) unregistered subcontractors to perform work on said homeowner's home. Thus, the Respondent violated R.I. Gen. Laws § 5-65-3(j) (unregistered contractor) (five times); R.I. Gen. Laws § 5-65-3(o) (mechanic's lien) (twice); and R.I. Gen. Laws § 5-65-10(p) and R.I. Gen. Laws § 5-65-27 (right of rescission) (twice).

**E. Sanctions**

The Respondent initially entered in a consent order to resolve this matter, but he failed to abide by its terms. The Department did not seek a penalty for the noncompliance with the consent order. Instead, the Department sought penalties based on the violations set forth in the notice of hearing. The Department sought revocation of the Respondent's registration and administrative penalties because of his inability to comply with the statutory requirements regarding subcontractors. The Department requested a \$10,000 penalty for the five (5) unregistered subcontractors and a \$4,000 administrative penalty for the four (4) contractual violations.

The Department argued the Respondent brought five (5) unregistered subcontractors on the homeowner's property that the Respondent had not verified had insurance or were knowledgeable in their area of work. The Department argued that the Respondent had similar prior violations. While no penalty was requested for violating the consent order, the Respondent violated the consent order and failed to remedy his violations. The Respondent's history of violations and then his failure to comply with the consent order demonstrates his inability to comply with and a pattern of noncompliance with his statutory requirements as a contractor. The Respondent did not appear and did not provide any reason to vary from the requested penalties.

Violations of R.I. Gen. Laws § 5-65-3(j); (o); and (p) are violations of R.I. Gen. Laws § 5-65-10(a)(1). R.I. Gen. Laws § 5-65-10(a) provides that a registration may be revoked for violations

of R.I. Gen. Laws § 5-65-10. R.I. Gen. Laws § 5-65-10(c) provides for penalties up to \$5,000 for first offences and up to \$10,000 for second offenses.

Therefore, the Respondent's registration is revoked, and administrative penalties are imposed as follows:

- 1) \$10,000 for violating R.I. Gen. Laws § 5-65-3(j) (five (5) times at \$2,000 each violation);
- 2) \$2,000 for twice violating R.I. Gen. Laws § 5-65-3(o); and
- 3) \$2,000 for twice violating R.I. Gen. Laws § 5-65-10(p) and R.I. Gen. Laws § 5-65-27.

#### **V. FINDINGS OF FACT**

Based on the foregoing, the undersigned makes the following findings of fact:

1. The Notice was issued on March 28, 2024 by the Board to the Respondent.
2. The Respondent is registered as a contractor pursuant to R.I. Gen. Laws § 5-65-1 *et seq.*
3. A hearing was scheduled for November 12, 2024 at which time the Respondent did not appear. As the Respondent was adequately notified, the hearing was held with the Board resting on the record.
4. Pursuant to § 1.17 of the Regulation, the Respondent is declared to be in default for failing to appear at the hearing.
5. The facts contained in Sections I, IV, and V are incorporated by reference herein.

#### **VII. CONCLUSIONS OF LAW**

Based on the foregoing, the Respondent violated R.I. Gen. Laws § 5-65-3(j) (unregistered contractor) (five times); R.I. Gen. Laws § 5-65-3(o) (mechanic's lien) (twice); and R.I. Gen. Laws § 5-65-10(p) and R.I. Gen. Laws § 5-65-27 (right of rescission) (twice).

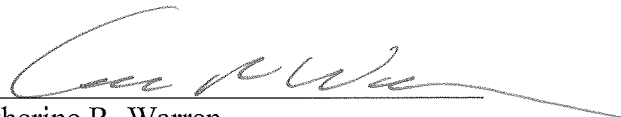
Pursuant to R.I. Gen. Laws § 5-65-10(a)(c), a total administrative penalty of \$14,000 is imposed on the Respondent for violations of R.I. Gen. Laws § 5-65-3(j); (o) and (p) and R.I. Gen. Laws § 5-65-27.

Pursuant to R.I. Gen. Laws § 5-65-10(a), the Respondent's registration is revoked. The revocation is effective the 21<sup>st</sup> day after the issuance of this decision.

The administrative penalty is due 20 days from the execution of this decision.<sup>5</sup>

Issued by R.I. Contractors' Registration and Licensing Board.

Entered: December 4, 2024\*

  
Catherine R. Warren  
Hearing Officer

### **NOTICE OF APPELLATE RIGHTS**

**Pursuant to R.I. Gen. Laws § 5-65-20 and § 1.13.2 of the Regulation, this decision may be appealed to the full Board by requesting an appeal in writing to the Contractors' Registration and Licensing Board within twenty (20) days of the date of mailing or issuance of this decision.**

Any appeal shall give the specific reasons why a party believes that the findings of the hearing officer are incorrect, based on testimony or evidence received at the hearing. No new testimony or evidence will be accepted. The Board does not rehear any issues but can only accept argument as to why a wrong decision may have been reached in this case. If an appeal is filed, the parties will be notified of the date, time, and location of the Board's meeting. Either party may appear before the Board to give oral argument. Failure of either party to appear before the Board may result in an adverse decision against the party. If no appeal is filed, payment of the administrative penalties is due within 20 days as stated above.

\*reissued with the correct date

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<sup>5</sup> Payment should be made to Contractors' Registration and Licensing Board at the above address.



**CERTIFICATION**

I hereby certify on this 4<sup>th</sup> day of December, 2024 that a copy of the within Decision and Notice of Appellate Rights were sent by first class mail, postage prepaid and certified mail, return receipt requested to:

Mr. Richard Rego  
34 Nelson Street  
Providence, R.I. 02908

Mr. Richard Rego  
R. Rego Development  
42 Brightbridge Avenue  
East Providence, R.I. 02914

Mr. Richard Rego  
1227 Main Street, Ste. K  
West Warwick,, R.I. 02983

and by electronic delivery to:

rickrego57@gmail.com (Respondent)  
James Cambio, Building Code Commissioner (james.cambio@dbr.ri.gov)  
Donna Costantino, Associate Director (donna.constantino@dbr.ri.gov)  
Matthew Lambert, Principal State Building Code Officer (matthew.lambert@dbr.ri.gov)  
Christina Santos, Administrator Management (christina.santos@dbr.ri.gov)  
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Theresa L. Kaplan